

Suspense: 19 October 1998

CERM-SP 7 October 1998

MEMORANDUM FOR DEPUTY CHIEF OF ENGINEERS

SUBJECT: MSC RESTRUCTURING GUIDANCE, FOR DECISION AT NOVEMBER 1998
BOD MEETING

1. PROBLEM: Both division and district commanders are currently operating under very restrictive guidance regarding any changes to their organizational structures. The regional business center concept means that a Division Headquarters Office manages itself and all of its subordinate districts as a single business center, balancing the types and quantities of workload against resources throughout the division's AOR. Implementing this concept effectively, requires MSC commanders to have the flexibility to implement desirable consolidations and regionalizations.

2. RECOMMENDATION: That the attached memorandum, drafted for LTG Ballard's signature, be presented for discussion and decision at the November 1998 Board of Directors meeting.

APPROVED _____

SEE ME _____

OTHER

3. BACKGROUND AND DISCUSSION:

a. In 1995 a task force working on alternative district structures identified the legal or other impediments then extant to consolidating, regionalizing, or outsourcing 20 of our basic functions. These restrictions are listed in ER 10-1-2. There were a large number of constraints, by law or higher regulation, to consolidation of various offices (all consolidation restrictions applied to support/overhead offices, none of them applied to technical engineering functions). There were no such constraints on regionalization of functions.

b. During the 1997 Congressionally-ordered division restructuring, tight restrictions were placed on potential modifications to district structures. Subsequently, restrictions on modifications to both division and district structures were continued through the period of the Test Divisions Initiative. This initiative has now been terminated.

c. Prior to the Board of Directors meeting in August 1998, a conceptual paper proposing alternatives for giving MSC commanders greater flexibility was distributed within HQUSACE for comment. A version of this proposal was provided to the members of the BOD, together with comments received. This general issue was discussed by the members of the BOD in August without reaching any recommendation for decision. At that time, LTG Ballard tabled the issue for future discussion and for decision at the fall 1998 BOD.

d. On 4 September 1998, MG Genetti and the MSC commanders met in Cincinnati and discussed the issue of modifying the current restrictions of the authority of MSC commanders to modify their division/district structures. The accompanying draft memorandum incorporates the recommendations of that group, which have since been briefed to LTG Ballard prior to preparing them for presentation to the full BOD in November.

4. **IMPACTS:** The impact of approving this guidance at the November meeting will be to provide greater restructuring flexibility to MSC commanders, and will probably result in the consolidation or regionalization of various functions within individual MSCs to achieve greater efficiency and improved customer service.

5. COORDINATION:

CECW-ZA	Concur/ Nonconcur	_____	(MG Fuhrman)	<u>orally at GO-SES meeting</u>
CEMP-ZA	Concur/ Nonconcur	_____	(MG Hunter)	
CECC-ZA	Concur/ Nonconcur	_____	(Mr. Klements)	<u>email dtd 10/27</u>
CEHR-ZA	Concur/Nonconcur	_____	(Ms. Duncan)	<u>"adjust wording" comments</u>
CEIM-ZA	Concur/ Nonconcur	_____	(Mr. Huemphner)	
CERE-ZA	Concur/Nonconcur	_____	(Mr. Frankel)	
CEEO-ZA	Concur/Nonconcur	_____	(Mr. Williams)	
CEPR-ZA	Concur/Nonconcur	_____	(Ms. Greenhouse)	
CEPA-ZA	Concur/ Nonconcur	_____	(COL Mirelson)	<u>With Comments (add PAO)</u>
CERD-ZA	Concur/ Nonconcur	_____	(Dr. Link)	
CESO-ZA	Concur/ Nonconcur	_____	(Ms. DeWitte)	
CELD-ZA	Concur/Nonconcur	_____	(Mr. Anderson)	
CEAO-ZA	Concur/Nonconcur	_____	(Mr. Templeton)	<u>Funding sources? Cen.Accts</u>
CESB-ZA	Concur/ Nonconcur	_____	(Mr. Ford)	

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